



UNITED STATES DEPARTMENT OF EDUCATION

OFFICE OF CAREER, TECHNICAL, AND ADULT EDUCATION

PROGRAM MEMORANDUM OCTAE 24-3

DATE: January 31, 2024

TO: State Directors of Adult Education

FROM: Amy Loyd, Ed.L.D. /s/
Assistant Secretary for Career, Technical, and
Adult Education

RE: Use of Adult Education and Family Literacy Act Funds for Participant Child and
Dependent Care and Transportation Costs – Frequently Asked Questions

Purpose

The purpose of this memorandum is to clarify how funds provided under the Adult Education and Family Literacy Act (AEFLA), Title II of the Workforce Innovation and Opportunity Act (WIOA), may be used to pay for the costs of child and dependent care and transportation when adult learners need this assistance to participate in adult education and literacy programs to advance their educational and career goals.¹

We know from data collected by the Institute of Education Sciences for its *National Study of the Implementation of Adult Education Under the Workforce Innovation and Opportunity Act* that few AEFLA providers use program funds for support services like child and dependent care or transportation and that those who do spend only a small amount. In a survey administered during Program Year 2018-19, only 29.2 percent of AEFLA-funded providers reported spending any funds on support services and, on average, just 1 percent of provider expenditures were used for support services. From this same survey, we also know that providers struggle to obtain support services for adult learners from other sources.² Nearly half of providers (45.9

¹ Other than statutory and regulatory requirements referenced in the document, the contents of this letter do not have the force or effect of law and do not bind the public. This document is intended only to provide clarity regarding existing requirements under the law or agency policies.

² Table 9, Cronen, S., Diffenderffer, A., & Medway, R. (2023). *National Study of the Implementation of Adult Education: Compendium of survey results from 2018–19* (NCEE 2023-001c). U.S. Department of Education, Institute of Education Sciences, National Center for Education Evaluation and Regional Assistance. Retrieved from: <https://eric.ed.gov/?id=ED626773>

percent) reported that working with local organizations to provide support services for adult learners was “moderately challenging” or “very challenging.”

Addressing the unmet child and dependent care and transportation needs of adult learners can be an important recruitment and retention strategy. I hope that this memorandum provides greater clarity about how AEFLA funds can be used to meet these needs.

1. May AEFLA funds be used to pay for child and dependent care and transportation costs for participants?

Yes. States and eligible providers may use AEFLA funds for child and dependent care and transportation costs for participants under certain circumstances. AEFLA permits the use of program funds for these purposes, or for supportive services³ generally. Under section 231(a) of WIOA, AEFLA program funds may be used for the costs to develop, implement, and improve adult education and literacy activities.

Using AEFLA funds to pay child and dependent care and/or transportation costs in order to ensure that adult learners are able to attend and participate in AEFLA-funded programs is allowable so long as these costs are reasonable, necessary, and allocable to AEFLA consistent with the cost principles in [subpart E of 2 C.F.R. part 200](#) of the Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance), more specifically 2 C.F.R. § 200.403. For example, these costs may be necessary to implement AEFLA programs if they are expended to meet the child and dependent care and/or transportation needs of an adult learner who is not able to pay these costs, or for which other sources of funding could not be obtained, and the adult learner could not otherwise participate regularly in an AEFLA-funded program if these needs are not met.

In assessing the reasonableness of child care costs, among other things, “[m]arket prices for comparable goods or services for the geographic area” are an important consideration under [2 C.F.R. § 200.404](#). The [National Database of Childcare Prices](#) published by the Women’s Bureau of the U.S. Department of Labor is one resource that may be used to learn about the local market prices of child care. Reasonable transportation costs may include gas cards, ride-sharing gift cards, and funds for the use of public transportation. For child and dependent care and transportation costs for AEFLA-funded participants, it is important that grantees implement appropriate internal controls.

Child and dependent care and transportation costs may be allocable to an AEFLA grant or subgrant if they are incurred to implement the AEFLA-funded program and are necessary to enable an adult learner who needs assistance with these costs to participate in an AEFLA-

³ “Supportive services” is defined in section 3(59) of WIOA to include “services such as transportation, child care, dependent care, housing, and needs-related payments, that are necessary to enable an individual to participate in activities authorized under [WIOA].” The term “supportive services” is not used at all in AEFLA, which is Title II of WIOA.

funded program. Costs must be allocated according to the relative benefits received by the AEFLA-funded program. See the Uniform Guidance at [2 CFR § 200.405](#). For example, if an adult education class is 2 hours long, an AEFLA-funded program may pay childcare costs for 2 hours plus the time needed by the participant to travel to and from the site where childcare is being provided.

2. May AEFLA funds be used to cover other costs that may fall within the definition of “supportive services,” such as medical expenses, housing emergencies, food insecurity, legal issues, and mental health concerns?

No, AEFLA funds may not be used for the cost of medical expenses, housing emergencies, food insecurity, legal issues, mental health concerns, or other similar challenges. Under section 231(a), AEFLA program funds may be used for the costs to develop, implement, and improve adult education and literacy activities. These types of supportive services costs are not reasonable and necessary costs to develop, implement, or improve adult education and literacy activities, nor are they allocable to AEFLA pursuant to 2 C.F.R. § 200.405(a) because they are not incurred specifically for participation in AEFLA services. These costs would be more appropriately addressed with other funds or by another agency. In fact, section 231(e)(11) of WIOA requires States, in awarding AEFLA funds to eligible providers, to consider whether an eligible provider coordinates with other agencies and services to assist participants. Specifically, section 231(e)(11) provides that the State must consider “whether the eligible provider’s activities offer flexible schedules and coordination with Federal, State, and local support services (such as childcare, transportation, mental health services, and career planning) that are necessary to enable individuals, including individuals with disabilities or other special needs, to attend and complete programs.” Such coordination provides a path for ensuring that AEFLA participants receive those types of supportive services that extend beyond a direct connection to the participation in, and access to, AEFLA services.

3. Are there other requirements a State and eligible providers must consider in assessing whether AEFLA funds may be used for child and dependent care and/or transportation costs for participants?

Yes. Consistent with WIOA section 241(a), AEFLA funds may not supplant other State or local public funds expended for adult education and literacy activities.

4. May a State establish policies for eligible providers on the use of AEFLA funds for child and dependent care and transportation costs?

Yes. A State may establish policies for eligible providers on the use of AEFLA funds for child and dependent care and/or transportation costs to assist an individual to participate in AEFLA activities that are reasonable, necessary, and allocable to AEFLA. This could include imposing a cap on these costs and/or requiring an eligible provider to include budgeted costs for these kinds of services in the eligible provider’s application for funding. The State

may also restrict the percentage or amount of subgrant funds used for child and dependent care and transportation costs. Please note that section 223(c) of WIOA requires that if a State implements any rule or policy concerning these costs, it must identify to eligible providers that the rule or policy is imposed by the State.

5. May a State prohibit eligible providers from using AEFLA subgrant funds for child and dependent care and/or transportation costs for participants?

No, a State may not categorically disallow expenditures that are allowable under a Federal statute. As such, a State may not prohibit eligible providers from using AEFLA funds for child and dependent care and transportation costs of participants if these costs are allocable to AEFLA and deemed reasonable and necessary to support an adult learner's access to and progress in an AEFLA-funded program.

6. Where can eligible agencies and eligible providers find more information about other sources of supportive services and assistance that may be available to adult learners?

[Benefits.gov](https://www.benefits.gov) is a U.S. government website that provides a single source of information to help users understand the Federal benefit programs for which they may be eligible and how to apply for them. Attachment 1 provides information about other U.S. government websites that provide information about Federal programs that provide supportive services and other assistance that may be useful to adult learners.

Federal Programs that Provide Support Services and Other Assistance

[Benefits.gov](https://www.benefits.gov) is a U.S. government website created to provide a central source of information about Federal benefit programs. It features a [Benefit Finder questionnaire](#) that can be completed by users to identify benefits for which they may be eligible and where and how to apply for them.

Childcare

- [Childcare Resource and Referral](#): This website provides contact information for local childcare resource and referral agencies that help families find childcare.
- [Childcare and Development Fund](#): This website helps users identify contact information for State agencies that administer the Childcare and Development Fund, a Federal program that provides assistance to low-income families who need childcare due to work, work-related training and/or attending school.
- [Head Start](#): Head Start programs provide eligible children from birth to age 5 services that support early learning and development, health, and family well-being. This website provides information about how to determine eligibility for Head Start and how to locate local Head Start programs.

Financial Assistance

- [Temporary Assistance for Needy Families](#) (TANF): TANF provides States, territories, and Tribes with block grants to help low-income families with children achieve economic self-sufficiency through monthly cash payments and a wide range of services. This website identifies the State and Tribal agencies that administer TANF, as well as centralized State benefit portals with information about programs beyond TANF cash assistance.
- [Unemployment Insurance](#) (UI): UI provides unemployment benefits, usually in the form of weekly payments, to eligible workers who become unemployed through no fault of their own and meet certain other eligibility requirements. This website provides information about how to file for unemployment benefits and provides contact information for the State agencies that administer the program.
- [Child Support Enforcement](#) (CSE): CSE provides services to locate absent parents, establish paternity, and enforce support obligations. People who receive assistance under Temporary Assistance for Needy Families, Foster Care, and Medicaid programs receive CSE services automatically. People who are not in assistance programs can apply for child support services and any support collected goes directly to them. Services are available to a parent with custody of a child who has a parent living outside of the home. This website provides information on CSE and contact information for the State agencies that provide CSE services.

- [Earned Income Tax Credit](#) (EITC): EITC provides a refundable tax credit to low- and moderate-income workers that can reduce the Federal taxes they owe and may also give them larger refunds. This website provides information about eligibility for EITC and how to apply.
- [Refugee Resettlement Assistance](#): The Office of Refugee Resettlement (ORR) provides cash assistance, medical assistance, employment preparation, job placement, English language training, and other services to refugees. This website provides contact information for State and local programs funded by ORR.

Food Insecurity

- [Supplemental Nutrition Assistance Program](#) (SNAP): SNAP provides nutrition benefits to supplement the food budget of low-income persons and needy families so they can purchase healthy food. This website provides information about eligibility for SNAP benefits and where to find a local SNAP office to apply for benefits.
- [Special Supplemental Nutrition Program for Women, Infant's & Children](#) (WIC): WIC provides Federal grants to States for supplemental foods, health care referrals, and nutrition education for low-income pregnant, breastfeeding, and non-breastfeeding postpartum women, and to infants and children up to age 5 who are found to be at nutritional risk. This website helps potential WIC applicants determine if they are likely to be eligible for WIC benefits. Users who are likely to be eligible to receive WIC benefits are provided with State-specific contact information and are encouraged to make a certification appointment with their WIC local agencies.

Health Care

- [Medicaid](#): Medicaid provides health coverage to low-income people. This website provides links to State websites where individuals can find out if they are eligible and how to apply.
- [Healthcare.gov](#): The Patient Protection and Affordable Care Act provides consumers with health insurance subsidies that lower costs for households with incomes between 100% and 400% of the Federal poverty level. This website provides information about eligibility for subsidized health insurance and how to apply.
- [FindTreatment.gov](#): This website hosted by the Substance Abuse and Mental Health Services Administration provides contact information for local facilities that provide mental health and substance abuse treatment services.

Housing and Public Utilities

- [HUD Resource Locator](#): This website provides contact information for local public housing agencies and homeless services organizations funded by the U.S. Department of Housing and Urban Development (HUD).

- [Housing Counseling Services](#): This website helps users locate housing counseling agencies that have been approved by HUD to offer independent advice on buying a home, renting, defaults, forbearances, foreclosures, and credit issues, often at little or no cost.
- [Low Income Home Energy Assistance Program](#) (LIHEAP): LIHEAP is a Federal program that helps low-income households pay their home heating and cooling bills. This website helps users determine whether they are eligible for LIHEAP assistance and provides contact information for the local agency that administers LIHEAP.

Internet

- [Affordable Connectivity Program](#): The Affordable Connectivity Program helps low-income households pay for internet service and connected devices like a laptop or tablet. This website provides information about eligibility for the program and how to apply.